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INFORMATIONAL NOTICE

TO: Participating Medical Providers

RE: HIPAA Readiness

The Illinois Department of Public Aid intends to comply with the standards for Health Insurance Portability and Accountability Act (HIPAA) electronic health care transactions and code sets, which are effective October 16, 2003. In addition to the changes effective October 16, 2003, the department will be implementing other HIPAA related changes on January 1, 2004. This notice identifies the timeframes associated with the various implementation dates.

Providers are encouraged to refer to the department's Web sites for information regarding HIPAA. The Web sites will be updated regularly with the latest developments as we move toward the implementation of HIPAA. We strongly suggest that you visit the Web sites frequently and notify your billing services or software vendor to also monitor the Web sites.

General HIPAA Information <<http://www.myidpa.com/hipaa/>>

HIPAA Testing Information <http://www.myidpa.com/hipaa/q&a_hipaa.html>

Testing for X12 and HIPAA Compliance is an ongoing effort. For more information on testing, please refer to the "Questions and Answers" page on the testing Web site.

The department has been working with other state agencies to coordinate HIPAA implementation. If you bill another agency directly, you may be receiving additional information from that agency.

Changes effective October 16, 2003

ICD-9-CM to HCPCS - The use of ICD-9 CM procedure codes is restricted to the reporting of inpatient procedures by hospitals. Effective with dates of service on or after October 16, 2003, providers will be required to bill outpatient UB92/837I transactions using HCPCS/CPT codes. The new Ambulatory Procedures Listing (APL) will be available on the department's Web site <<http://www.state.il.us/dpa/html/apl.htm>>. For dates of service prior to October 16, 2003 but received by the department after October 16, 2003, providers may submit ICD-9 CM procedure codes for outpatient services on the 837I.

Eight Digit Drug Code - The eight (8) digit drug codes currently being used for billing of administered or dispensed drugs by physicians, clinics, and other providers will be eliminated October 16, 2003. Effective with dates of service on or after October 16, 2003, providers will be required to bill for these items using HCPCS codes. Claims for dates of service prior to October 16, 2003, submitted to the department after October 16, 2003 using the eight digit drug codes must be submitted as a paper claim transaction or billed with a HCPCS code on the 837P.

Pharmacy - The Department had planned to require pharmacies to bill supplies in the 837P format in accordance with the HIPAA Final Rule. CMS/DHHS has since published additional guidance on this issue dated, September 2003. As a result, the Department will allow retail pharmacies to continue to bill supplies with an NDC code in the NCPDP format.

Changes effective January 1, 2004

Local Codes - The department will continue to accept most state generated local codes and modifiers, such as modifier "P" to bill for the global professional or technical components or "T" for the technical component only, for dates of service prior to January 1, 2004. The department will notify providers as state generated codes are discontinued.

National Drug Codes - The department will require the use of National Drug Codes (NDC) for administered or dispensed drugs on the 837P, effective with dates of service on or after January 1, 2004. Drug HCPCS codes not supplemented by an NDC will be accepted for dates of service before January 1, 2004 only. Beginning with dates of service January 1, 2004, drug HCPCS codes billed electronically must be supplemented by the NDC, while paper claims must contain the NDC only.

Internet Electronic Claims - The department's Medical Electronic Data Interchange (MEDI) site is being enhanced to allow electronic claims submission through the Internet. This functionality is called MEDI Internet Electronic Claims (IEC). MEDI IEC will support electronic claims submission, recipient eligibility inquiries, claim status inquiries, prior authorization requests and electronic remittance advices. The MEDI IEC site will be available beginning January 1, 2004.

If you have any questions concerning this notice, you may contact the Bureau of Comprehensive Health Services at 217-782-5565.

Anne Marie Murphy, Administrator
Division of Medical Programs